

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	
	§	
Watson Grinding and Manufacturing Co.	§	
	§	Case No. 20-30967
Debtor.	§	Chapter 11
	§	
	§	Expedited Hearing Requested

**ORDER DIRECTING ISSUANCE OF INSURANCE CHECK FOR PROPERTY
DAMAGE TO WATSON CAMPUS BUILDINGS 1 AND 3**

On March 30, 2020 the Court held a hearing on the Expedited Motion of KMHJ, Ltd for Order Directing Property Damage Insurance Carrier to Issue Insurance Check Solely to KMHJ, Ltd. for Property Damage to Watson Campus Buildings 1 and 3 Owned by KMHJ, Ltd. (the “Motion”). Based on the evidence presented at the hearing and the arguments of counsel, the Court has concluded the Motion has merit and should be approved.

Therefore, it is ORDERED THAT:

1. United Fire Group is authorized and directed to make a check payable solely and directly to KMHJ, Ltd. (“KMHJ”) in the sum of \$2,200,000.00 (the “Check”) relating to commercial property coverage provided pursuant to Watson Grinding and Manufacturing Co., Inc. (“WGM”) Policy 85319121 (for Watson Campus Buildings 1 and 3 owned by KMHJ) within three days after receipt of the Court’s Order, by delivering same to KMHJ’s counsel Jackson Walker LLP, Attn: Janet Douvas Chafin, 1401 McKinney, Suite 1900, Houston, Texas 77010. Counsel for KMHJ shall provide a copy of the Court’s Order to United Fire Group.

2. Provided that neither WGM nor its bankruptcy estate (nor any person or entity acting by, through, or under WGM or its bankruptcy estate) avoids or otherwise

recovers any portion of the funds delivered to KMHJ via the Check, KMHJ waives the following: (i) any claim against WGM and its bankruptcy estate for post-petition rent from March 1, 2020 to August 31, 2020, and (ii) rejection damages for any rejection of the Commercial Lease Agreement effective January 1, 2019 between KMHJ as landlord and WGM as tenant (the “Lease”).

3. The Lease will be assumed or rejected no later than August 31, 2020.

4. Nothing contained in this Order or any payment made pursuant to the authority granted by this Order is intended to be or shall be deemed as (i) an admission as to the validity of any claim against WGM, (ii) a waiver of WGM’s or any appropriate party-in-interest’s rights to dispute the amount of, basis for, or validity of any claim, (iii) a waiver of WGM’s or any other party-in-interest’s rights under the Bankruptcy Code or any other applicable non-bankruptcy law, or (iv) an approval, adoption, assumption, or rejection of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code.

5. WGM is authorized to execute any additional documents, in consultation with the January 24 Claimants Committee, as may be required to carry out the intent and purpose of this Order.

Signed: _____, 2020.

Marvin Isgur
U.S. Bankruptcy Judge